

900 7th Street, NW, 2nd Floor
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OPEN SESSION
NOTICE OF VIRTUAL BOARD MEETING
JOSEPH M. BRESS, CHAIR
THURSDAY, MAY 19, 2022
1:00 P.M.

<u>WebEx Meeting</u>	<u>Telephone:</u> 650-479-3208	<u>Conference Access Code:</u> 2315 220 0304	<u>Meeting Password:</u> HPiufU5Jh32
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AGENDA

1:00 PM	OPEN SESSION -- CALL TO ORDER AND ROLL CALL	
	APPROVAL OF BOARD MEETING MINUTES -- ACTION ITEM	TAB 2
	➤ APPROVAL OF OPEN SESSION MEETING MINUTES FOR APRIL 21, 2022	
	CHAIR'S COMMENTS	TAB 3
	EXECUTIVE DIRECTOR'S REPORT	TAB 4
	LEGAL DEPARTMENT REPORT	TAB 5
1:15 PM	INVESTMENT COMMITTEE REPORT -- ACTION ITEMS	TAB 6
	OPERATIONS COMMITTEE REPORT	TAB 7
	AUDIT COMMITTEE REPORT	TAB 8
	BENEFITS COMMITTEE REPORT	TAB 9
	LEGISLATIVE COMMITTEE REPORT	TAB 10
2:30 PM	OTHER BUSINESS- EXECUTIVE SESSION	TAB 11
	➤ MOTION: TO ENTER CLOSED SESSION TO DISCUSS PERSONNEL MATTERS PURSUANT TO D.C. CODE § 1-909.05(E); SEE ALSO D.C. CODE § 2-575(B) (10)).	
3:00 PM	ADJOURNMENT	TAB 12

<p>Other</p>	<p>For your information:</p> <ul style="list-style-type: none"> ➤ <u>DCRB Annual Fiduciary Training:</u> Has been rescheduled due to a scheduling conflict with Morgan Lewis for June 16, 2022, during the Open Board meeting. ➤ <u>Next Board Meeting:</u> The next meeting will be held on May Thursday, June 16, 2022 ➤ <u>Boardroom Telephone Numbers:</u> For virtual meetings: JP Balestrieri, Executive Director, DCRB at 202-343-3228 Johniece Harris, Board Liaison, DCRB at 202-343-3228 ➤ <u>Quorum:</u> To assure maximum participation at meetings, DCRB's Office Management Staff will contact Trustees prior to each meeting. <p>As a reminder:</p> <ul style="list-style-type: none"> ➤ <u>Electronic Participation:</u> WebEx information is sent to all Trustees prior to all Board and Committee meetings. If you do not receive this information prior to the scheduled meeting, please contact Johniece Harris by email at Johniece.harris@dc.gov ➤ <u>Member Complaints:</u> Trustees who receive questions or complaints from members on issues administered by DCRB should contact the Executive Director and the Department Chief, who is responsible for issue resolution. ➤ <u>Remote Participation Voice Vote:</u> Since it is difficult to hear the votes of those participating remotely, I will specifically ask for a voice vote from Trustees attending a remote meeting. ➤ <u>Use of DCRB-Provided Laptops</u> DCRB issued laptops provide access to your official government email account and the Board portal, Diligent. The laptop must only be used for official government purposes. Please do not use it for personal reasons, such as pictures, media, and apps.
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Board Meeting-WEBEX ONLY Copy - Chair's Comments

DISTRICT OF COLUMBIA RETIREMENT BOARD Trustee Conference Listing As of May 19, 2022					
Sponsor	Name of Conference	Date	Location	Cost	Description
International Foundation of Employee Benefit Plans (IFEBC)	Certificate of Achievement in Public Plan Policy (CAPP) -Pension Part I	June 6-7, 2022	Hilton Santa Monica Santa Monica, California	Early Bird Registration thru 04/25/2022 \$1,225.00 After \$1,525.00	A cost-effective way to get thorough, on-target information to assist you in policy-making de examination of the role of trustees and their relationship to other public benefit plan function: knowledge shared by leading consultants and practitioners working wit public sector employ Valuable resource materials for future reference and educational benchmark of excellence fo sector. CAPP is designed for the public sector benefit plan trustees and representative of pu
	Certificate of Achievement in Public Plan Policy (CAPP) -Pension Part II	June 8-9, 2022	Hilton Santa Monica Santa Monica, California	Early Bird Registration thru 04/25/2022 \$1,225.00 After \$1,525.00	A cost-effective way to get thorough, on-target information to assist you in policy-making de examination of the role of trustees and their relationship to other public benefit plan function: knowledge shared by leading consultants and practitioners working wit public sector employ Valuable resource materials for future reference and educational benchmark of excellence fo sector. CAPP is designed for the public sector benefit plan trustees and representative of pu
	Trustee Institute Level II: Concepts in Practice	June 25-26, 2022	The Westin Settles Seattle, WA	Registration \$1925.00	Learn from industry experts about the current state of affairs and latest reform initiatives—B what lies ahead. Network with peers who face similar challenges. Learn from their mistakes, performance, and gather workable ideas and solutions to implement. Bring home helpful res share with colleagues, from sample documents to checklists and case studies—The value of ; will continue long after you've left the program.
	New Trustee Institute Level I: Core Concepts	June 27-29, 2022	The Westin Settles Seattle, WA	Registration \$1925.00	The New Trustees Institute focuses on your role as a trustee, your understanding of the key is your pension and health and welfare funds, and the complex environment of benefits. S the fi trustee education path, trustees will obtain a basic understanding of their fiduciary responsibi environment, best practices and current issues in the benefits industry.
	Advanced Trustees Administrators Institute	June 27-29, 2022	The Westin Settles Seattle, WA	Registration \$1925.00	The Advanced Trustees and Administrators Institute is designed to keep experienced trustees latest industry trends, legal and regulatory changes, and best practices as well as to bring new Attendees gain a deeper understanding of how to run their pension and health and welfare fu Don't miss this time-honored education event. Developed by active trustees, administrators a advisors, each session is designed to address the issues you face today and prepare you for w these challenging times, you can count on the International Foundation to deliver timely, rele education on the trends, issues and future direction of the industry.
National Association of State Retirement Administrators (NASRA)	Annual Conference	August 6-10, 2022	Long Beach, CA	Registration opening mid-to-late May	The conference features leaders in the fields of retirement plan investment and administration variety of subjects including investment management, world events applicable to the pension economy, human resources, trends, and more.
National Conference on Public Employee Retirement Systems (NCPERS)	Public Pension Funding Forum	August 21-23, 2022	Los Angeles, CA	Registration opening in May	Focuses on developing research and education programs to achieve adequate funding for pul Examines the implications of reform initiatives for all stakeholders—including taxpayers, em businesses and economics, and not just public employees. Engages the best minds, including six Nobel Prize-winning economists to date, to impart a de of the social and economic forces at play in the public pension arena. content demanded by and designed for the people on the front lines. Who Should Attend? Trustees of state and local pension funds Administrators of state and local pension funds Officials of state and local finance departments and treasurer's offices

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EXECUTIVE DIRECTOR'S REPORT
May 19, 2022

- 1. HR Update:**
- 2. Investment Update**
- 3. Benefits Update**

DISTRICT OF COLUMBIA RETIREMENT BOARD Training & Travel Report (For the Period of April 21, 2022 thru May 19, 2022)					
Name	Description	Sponsor/Vendor	Location	Dates	
				From	To
Trustees					
No Trustee Travel					
Staff					
Morgan Dentz	Conference	Summit Partners 2022 Annual Meeting of Investors	Boston, MA	05/10/22	05/11/22
Patrick Sahm	Conference	"	Boston, MA	05/10/22	05/11/22
Deepak Tolani	Summit	4th Annual ESG Summit	Washington, DC	04/21/22	04/21/22

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TO: BOARD OF TRUSTEES
FROM: LEGAL DEPARTMENT
DATE: MAY 19, 2022
SUBJECT: LEGAL DEPARTMENT REPORT

Annual Financial Disclosure

Trustees' Financial Disclosure Statements were timely filed with the Mayor and the Council of the District of Columbia on Monday, May 2, 2022.

Designated DCRB employees subject to the District's Board of Ethics and Government Accountability (BEGA) financial reporting were required to file their Financial Disclosure Statements by Monday, May 16, 2022.

Securities Litigation Update

Vivendi Universal, S.A.

As reported to the Board December 16, 2021, in 2012, the Board retained the legal services of Kessler, Topaz, Meltzer & Check, LLP (KTMC or Kessler) to represent the Board in a foreign securities litigation against Vivendi, S.A. (Vivendi) in France to recover estimated losses in the amount of \$500,000 incurred by the District of Columbia Teachers' and the Police Officers and Fire Fighters' Retirement Funds due to Vivendi's false and misleading statements related to the company's financial condition during October 30, 2000 to August 14, 2002. In July 2021, the Commercial Court of Paris ruled against the investors. To preserve investors' appeal rights, Kessler filed a Notice of Appeal of the judgment on behalf of the investors it represents, including DCRB, in January 2022. The investors' appeal brief is scheduled to be filed next month. To date, there have not been any settlement discussions. Should DCRB be successful in recovery, any costs (estimated to be less than 1% of total costs) owed to Kessler will be deducted from DCRB's recovery.

Benefits Litigation Update

Gerry O. Scott v. DCRB

Mr. Scott, a retired police officer, sued DCRB in D.C. Superior Court for not including his longevity pay in his retirement annuity calculation. Because Mr. Scott was not afforded administrative due process, his complaint was stayed. A status hearing is scheduled May 20.

Annetta H. Nicholas v. US Treasury and DCRB

Ms. Nicholas, a retired teacher receiving a disability retirement benefit, appealed the Order issued by the U.S. District Court for the District of Columbia dismissing her claim for a voluntary retirement benefit.

The defendants filed motions for summary judgment, which the plaintiff opposed. The court set a briefing schedule with final briefs due in August 2022.

Sheila Hemphill v. US Treasury and DCRB

Ms. Hemphill, a former spouse of a deceased retired annuitant, appealed the Order issued by the U.S. District Court for the District of Columbia dismissing her survivor annuity claim. All dispositive motions were filed; no ruling has been issued.

Tax Qualification Audit

Groom Law Report

As tax-qualified retirement Plans, the Teachers' and Police Officers and Firefighters' Retirement Plans are required to comply with certain provisions under the Internal Revenue Code in form and operation. Groom Law completed its audit of the Plans and benefits administration operations to assess tax-qualification issues and make recommendations. No significant failures were reported but several recommendations were made to improve compliance. The Legal Department will be discussing the audit findings with internal staff prior to reporting out to the Board.

Summary Plan Descriptions

2022 Updates

The Summary Plan Descriptions (SPDs) for the Retirement Plans are required to be updated every 5 years for material benefit changes. The SPDs were last updated in 2017. Although there are no material benefit changes, the Legal Department will begin its legal review of the SPDs in June for any recommended updates.

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TO: BOARD OF TRUSTEES

FROM: ADAM WEERS
INVESTMENT COMMITTEE CHAIR

DATE: MAY 19, 2022

SUBJECT: INVESTMENT COMMITTEE REPORT

The Investment Committee met on Thursday, May 19, 2022. The official actions taken at this meeting are presented below for ratification by the full Board.

1. To authorize the Executive Director to execute an investment consulting agreement for **General Investment Consulting Services**.
2. To authorize the Executive Director to execute an investment consulting agreement for **Alternative Investment Consulting Services**.
3. To adopt the new **Investment Policy Statement for Private Credit Investments**.
4. To approve a commitment of up to \$100 million to **Fortress Lending Fund III**, a U.S. private credit fund, subject to legal review and further due diligence.
5. To approve an initial commitment of up to \$100 million to **Carlyle Property Investments**, an open-ended U.S. core -plus real estate fund, subject to legal review and further due diligence.

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TO: BOARD OF TRUSTEES
FROM: NATHAN A. SAUNDERS, CHAIR
DATE: MAY 19, 2022
SUBJECT: OPERATIONS COMMITTEE REPORT

Chair Comments

The Operations Committee did not meet this month.

Next Operations Committee Meeting

The next Operations Committee meeting is being planned for next month (June). However, the meeting date has not yet been scheduled.

This concludes my committee report.

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TO: BOARD OF TRUSTEES

FROM: TRACY S. HARRIS, CHAIR

DATE: MAY 19, 2022

SUBJECT: AUDIT COMMITTEE REPORT

The Audit Committee did not meet on May 18, 2022 so there is no report.

The next Audit Committee meeting is scheduled for June 15, 2022.

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TO: BOARD OF TRUSTEES

FROM: MARY COLLINS, CHAIR

DATE: MAY 19, 2022

SUBJECT: BENEFITS COMMITTEE REPORT

The Benefits Committee met this month on May 12, 2022. Below are some updates on key retirement projects. Additional materials and statistics can be found in your Diligent books under the Benefits Committee section. The key topics of this meeting included discussion on retirement processing times, other stakeholder involvement impacting our work, and DCRB responsibilities in the current administration of post-retirement benefits. Future meetings will be held to discuss these topics and to propose recommended actions.

Operational Projects and Updates

Annuitant Self Service – Continuing the full launch of the Self Service program, the second group of annuitants Police Officers, were mailed welcome materials on April 29, 2022. Treasury's Office of DC Pensions mailed out correspondence to members (approximately 6,500), an earnings statement message, a notification to the retiree association, and a new page was published on DCRB's website <https://dcrb.dc.gov/page/dcrb-self-service>. There are dedicated Member Services staff ready to assist members in the login and self-service navigation process through the dedicated self-service help line: 202-343-3222 or toll free at 1-855-509-2727. The final group, Teachers, will be rolled out in June.

Lobby Services Return – Members needing DCRB in-person lobby services can now schedule those services by appointment only. Members can either schedule an in-person visit or a virtual meeting. Appointments will be made by contacting the Member Services Center at 202 343-3272 or by visiting the website at <http://dcrb.dc.gov/page/dcrb-lobby-service-appointment-scheduler>. The first month, 20 in-person meetings were held and 12 virtual appointments occurred.

New Forms Online - Beginning May 1, 2022, members are now able to fill out key forms and submit them via the DCRB website 24 hours a day. Forms include Direct Deposit, Verification of Annuity, Report a Missing Payment, and Report a Death, Receipts and others. Submitted online forms will include an acknowledgement email to members for tracking and records purposes. These new online forms, along with the option to log into STAR self-service, will further enhance the member experience and cut down on unnecessary calls to DCRB.

Organization Outreach

FEMS Retirement Process Briefing – On April 28, 2022, the Pension Administrator and FEMS Human Resources staff met with new DCRB Active Firefighter Trustee, Chris Finelli, to review the transition of active employment to retirement with DCRB. Topics included notification to department, pre-retirement

counseling, movement of information to Police/Fire Retirement and Relief Board and DCRB, healthcare transfer, and description of interactions between various DC agencies.

District of Columbia Public Schools (DCPS) – With the departure of two key members of the DCPS retirement staff and the resulting impact on DCRB processing, weekly meetings are continuing to be held with DCPS staff to facilitate accelerated retirement processing and resolve member service data issues. We have also sent DCPS leadership information on how to utilize DCRB temporary staffing contracts, which have job classifications they can use to assist with their workload. This last month, we have explored additional options which include reaching out to ex-DCRB employees that may be willing to assist and possible Memorandum of Understanding for a limited time detail of a 1-2 day detail (dependent on current DCRB staff availability and legality). We will continue to support DCPS in the upcoming months as they restaff their department.

Continued Departmental Improvements

Quality Review of Cases - Along with trying to process retirement case as fast as possible, it is our responsibility to perform quality reviews to ensure correct payments are made to our members. This metric is tracked both internally at DCRB and through the federal Office of DC Pensions (ODCP). Every month, ODCP staff sample up to 20 cases to review DCRB's work as ODCP's benefits administrator. The purpose is to make sure correct payments are disbursed, with a goal to have less than 5% monetary discrepancies (even the smallest differences are considered discrepancies).

Call Center Statistics – Recent hiring of Member Service team members and contractors have improved the member experience within the last couple of months. Our Member Services Manager, Jaqueline Oliver, reviewed the call center statistics focusing on call hold times, abandonment rates, call duration, and repeat callers. Additional communication work such as responding to Ask Member Service and other non-telephone inquiries was also be discussed.

Staffing Updates

New Staff: Patricia Mobley, Member Services Supervisor, joined the Benefits Department team on April 22, 2022. We are excited to have Ms. Mobley aboard. She comes to us with over 12 years of call center experience while working at the DC Department of Employment Services and 10 years in a private sector customer service environment as a staff supervisor.

Departing Staff: Paralee Armstrong, Pension Risk and Compliance Program Manager, left the DCRB Benefits Department on May 6, 2022. We thank her for her service and wish her well on her new opportunity outside of the District government and DCRB.

Other departing staff include Member Services Representative, Erica Butler, and Member Services Representative (Contractor), Ashley Wood. Both team members have been with DCRB less than 6 months.

We are continuing our efforts to fill the Benefits Department vacancies. The following five positions remain:

- Deputy Chief Benefits Officer
- Benefits Assistant
- Retirement Analyst
- Member Services Representative
- Quality Analyst

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TO: BOARD OF TRUSTEES

FROM: LYLE BLANCHARD, CHAIR

DATE: MAY 19, 2022

SUBJECT: LEGISLATIVE COMMITTEE REPORT

The following report reflects activities of interest since the April 21, 2022 Board Meeting:

COUNCIL OF THE DISTRICT OF COLUMBIA

LEGISLATION AND REGULATIONS

B24-0071, “Pension Exclusion Restoration and Expansion Act of 2021”

Status: This proposal would increase the District of Columbia pension income exclusion for District residents who receive a retirement annuity from the District or the Federal Governments, including the military. The increase would be from \$3,000 to \$10,000 for annuitants aged 62 through 64, and a \$20,000 exclusion for annuitants aged 65 and older would be added.

A public hearing was held March 14, 2022, by the Committee on Business & Economic Development. No further action has been reported.

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